

IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA
Alexandria Division

VOLKSWAGEN AG, <u>et al.</u> ,)	
)	
Plaintiffs,)	
)	
v.)	1:17-cv-970 (LMB/IDD)
)	
SYED IQBAL, <u>et al.</u> ,)	
)	
Defendants.)	

ORDER

Before the Court is a Report and Recommendation (“Report”) issued by a magistrate judge on April 19, 2018 [Dkt. No. 73], which recommended that plaintiffs Volkswagen AG, Audi AG, and Volkswagen Group of America, Inc.’s (collectively, “plaintiffs”) Motion for Entry of Default Judgment [Dkt. No. 65] be granted and that default judgment be entered against defendants Syed Iqbal, Ehsan Shareeff, Shariq Syed, Said Awad, Saood Abbasi, and Kashif Islam (collectively, “defendants”) on Counts 1, 2, and 3 of the First Amended Verified Complaint. See Report at 13. The parties were advised that any objections to the Report had to be filed within 14 days and that failure to file a timely objection waived the right to appeal any judgment based on the Report. Id. at 14. As of May 9, 2018, no party has filed an objection. The Court has reviewed the Report, plaintiff’s motion for default judgment, and the case file and adopts the Report in full.

The magistrate judge correctly determined that the Court has subject matter jurisdiction over this action under 28 U.S.C. § 1331 because it involves federal questions arising under the Lanham Act. Report at 2. The magistrate judge also correctly concluded that this Court has personal jurisdiction over defendants because defendants “directed electronic activity into

Virginia” by offering “to sell their counterfeit products to residents of Virginia” and because defendants “shipped their counterfeit products into Virginia.” Id. at 3. Moreover, the magistrate judge correctly concluded that venue is appropriate in this district under 28 U.S.C. § 1391(b)(3) because defendants are not all residents of the same State and a substantial part of the events giving rise to plaintiffs’ claims have not occurred in any single district but defendants are subject to personal jurisdiction in this district. Id. Lastly, the magistrate judge has correctly concluded that plaintiffs properly served defendant Awad by “leaving a copy of the summons and Amended Complaint at Awad’s dwelling with a ‘co-occupant’ of suitable age and discretion” and properly served the remaining defendants, all of whom are residents of Canada, by publishing notice of this lawsuit and emailing notice to the email addresses that these defendants supplied to PayPal, Inc. when registering for accounts. Id. at 3-4.

The Court finds that the magistrate judge correctly determined that plaintiffs have pleaded the requirements for obtaining relief with respect to each of the three counts. Specifically, plaintiffs have adequately pleaded that they own valid, registered trademarks, that defendants knowingly used colorable imitations of those marks that were likely to cause confusion among consumers, and that defendants have sold counterfeit items in relation to their imitations of the those marks through eBay internet stores. Id. at 8. Accordingly, plaintiffs have adequately pleaded that defendants engaged in trademark infringement and counterfeiting, in violation of 15 U.S.C. § 1114 (Count 1). In addition, the magistrate judge correctly found that plaintiffs have adequately pleaded that defendants have used their marks in connection with the sale of goods in a way that is likely to cause confusion or mistake as to the affiliation between defendants’ goods and plaintiffs, in violation of 15 U.S.C. § 1125(a) (Count 2). Id. at 8-9. The magistrate judge also correctly found that plaintiffs have adequately pleaded that defendants’

sale of counterfeit products that are of lower quality than plaintiffs' genuine products harms the reputation of plaintiffs' marks and therefore causes actual dilution of plaintiffs' trademarks, in violation of 15 U.S.C. § 1125(c) (Count 3). Id. at 9. Lastly, the magistrate judge correctly found that plaintiffs are entitled to statutory damages pursuant to 15 U.S.C. § 1117(c)(2), that the nature of defendants' willful violations of plaintiffs' marks through the sale of counterfeit goods justifies plaintiffs' requested damages of \$2,000,000 for each of the Volkswagen mark and the Audi mark, that plaintiffs are entitled to pre- and postjudgment interest, and that plaintiffs are entitled to a permanent injunction pursuant to 15 U.S.C. § 1116(a). Id. at 9-13.

Accordingly, the Report is ADOPTED and plaintiff's Motion for Default Judgment [Dkt. No. 65] is GRANTED, and it is hereby

ORDERED that default judgment be and is entered against defendants Syed Iqbal, Ehsan Shareeff, Shariq Syed, Said Awad, Saood Abbasi, and Kashif Islam jointly and severally in the total amount of \$4,000,000.00 (consisting of \$2 million in statutory damages for each of the 2 identified trademark violations), with prejudgment interest calculated in accordance with Va. Code § 6.2-302 and accruing from July 1, 2017 until the date of entry of judgment and postjudgment interest calculated in accordance with 28 U.S.C. § 1961 and accruing from the date of entry of judgment; and it is further


ORDERED that PayPal shall continue to freeze all PayPal accounts associated with defendants Syed Iqbal, Ehsan Shareeff, Shariq Syed, Said Awad, Saood Abbasi, and Kashif Islam and restrain and enjoin from transfer any monies held in such accounts until the judgment entered in this civil action is satisfied; and it is further

ORDERED that defendants Syed Iqbal, Ehsan Shareeff, Shariq Syed, Said Awad, Saood Abbasi, and Kashif Islam, together with all those in active concert or participation with them, are enjoined from making, using, selling, or offering for sale the Volkswagen and Audi trademarks.

The Clerk is directed to enter judgment in this matter pursuant to Fed. R. Civ. P. 55, forward copies of this Order to counsel of record and defendants at the postal address and email addresses listed on page 14 of the Report and Recommendation, and close this civil action.

Entered this 9th day of May, 2018.

Alexandria, Virginia

/s/ 
Leonie M. Brinkema
United States District Judge